

## **FACT SHEET:**

### **Bush Budget Fails to Lower Health Care Costs For Americans**

Even as middle class Americans are struggling to achieve financial security, the Bush budget ignores the very real challenges they are facing. It fails to create jobs, and instead creates record deficits. It shortchanges education, health care, veterans' benefits, and small business. Instead of helping working families, it provides additional tax breaks for those who need them least, and provides billions of dollars in new giveaways to HMOs, drug companies, and other wealthy corporate interests.

**Bush budget includes \$46 billion in overpayments for HMOs, but does nothing to help American seniors with the cost of prescription drugs.** The Bush budget includes \$46 billion in overpayments for HMOs, about \$30 billion more than previously estimated, but does not provide one additional penny to help seniors lower their prescription drug costs. And it fails to include measures to lower the price of prescription drugs by allowing Medicare to leverage its purchasing power.

**\$70 billion tax credit covers less than 5 percent of the uninsured.** Health insurance premiums rose by 14 percent last year, making it harder than ever for middle class families to afford health insurance coverage, and a record 44 million Americans are uninsured. The Bush budget provides \$70 billion for an inefficient tax credit that covers less than 2 million people, and Health Savings Accounts that help only the wealthy. Unlike Democrats, who would hold down health care costs by reducing drug prices, the President's proposals are designed to cap federal, state and employer contributions to health care, thereby shifting the cost and risk to American families. Consumers will face increasing co-payments, deductibles and premiums, or see reductions in their benefits.

**Slashes rural health activities.** The Bush budget slashes rural health activities by \$91 million below this year's enacted level – or by 64 percent. This cut includes eliminating the \$39 million rural health flexibility grant program and drastically cutting back rural health outreach grants, used to expand clinical services in rural areas.

**Eliminates most health professions training.** The Bush budget eliminates most health professions training programs by slashing spending on these programs from \$294 million this year to \$11 million in fiscal 2005, a cut of 96 percent. Funding for nurse training is frozen.

**Freezes funding for maternal and child health, preventive health and Healthy Start.** The Bush budget freezes funding for the Maternal and Child Health Block Grant, the Preventive Health Block Grant, and Healthy Start – a cut when inflation is taken into account.

**Inadequately funds NIH.** The Bush budget provides an inadequate increase of only 2.6 percent for NIH. According to patient and research advocates, NIH must receive budget increases of 8 to 10 percent to capitalize on the progress being made in biomedical research. The Bush budget will not even allow NIH to continue existing grants.

**Proposes radical overhaul of Medicaid.** Not only does the Bush budget do little for the uninsured, it makes the problem worse. The Bush budget would transform a large portion of Medicaid from an entitlement to a block grant, shifting the cost of the program onto hard-pressed states. The Bush plan would encourage states to limit their liability by cutting people from the rolls, cutting benefits, and increasing cost sharing for some of our most vulnerable citizens.

**Slashes Community Access Program (CAP).** The Bush budget slashes funding for the Community Access Program for the uninsured by 90 percent – cutting it from \$104 million to \$10 million. This program coordinates health care services for the uninsured offered by community providers such as public hospitals, community health centers, and disproportionate share hospitals, helping to reduce the costs of providing care to the uninsured.

**Cuts Office of Minority Health.** The President's budget cuts funding for the Office of Minority Health by 15 percent from this year's enacted level. This office supports disease prevention, health promotion, service demonstration, and educational efforts that focus on health concerns that cause the high rate of disease in racial and ethnic minority communities.

**Breaks President's promise on Global HIV/AIDS.** President Bush promised to provide \$3 billion each year for five years for the Global HIV/AIDS Initiative but he has broken that promise. The Bush budget is at least \$200 million short of the promised funding level, and fails to invest millions promised for prevention and treatment.

**Underfunds domestic HIV/AIDS programs.** The Bush budget provides an inadequate increase of only 5 percent, or \$35 million, for the AIDS Drug Assistance Program - millions below the amount needed to ensure that all eligible people with HIV have access to this important program. In addition, the budget freezes all other components of the Ryan White CARE Act (which assists with health care and other supportive services), and for CDC HIV/AIDS prevention programs for the second year in a row.

